

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION**

In the Matter of:)	
)	CASE NO. 22-02429-DSC11
)	CHAPTER 11
)	
ECO-PRESERVATION SERVICES,)	
L.L.C., SERMA HOLDINGS, LLC.,)	
and J. MICHAEL WHITE,)	
)	(Jointly Administered)
Debtors.)	

**NON-DEBTOR PARTIES' STATEMENT OF ISSUES
AND DESIGNATION OF RECORD ON APPEAL**

Knobloch, Inc., Tannehill Sewer, LLC, SERMA Funding, LLC, Shandi R. White, and Mary P. White (jointly, the “**Non-Debtor Parties**”), pursuant to Bankruptcy Rule 8009, hereby submit the Statement of Issues and Designation of Record on Appeal of the *Order on Judgment Creditors’ Motion to Alter, Amend, or Vacate and for Relief from Order* [Docket No. 699]. Non-Debtor Parties filed a notice of appeal on September 11, 2025 [Docket No. 705]. The Appeal has been docketed in the District Court for the Northern District of Alabama as Case Number 2:25-cv-01578-ACA.

STATEMENT OF ISSUES

1. Whether the Bankruptcy Court erred in ruling that the causes of action asserted by Benjamin Davis, Lindsay Davis, John Lawrence, Monica Lawrence, Jonathan K. Slone, and Nicole Slone (the “**Judgment Creditors**”) in the Complaint¹ against Shandi

¹ “Complaint” refers to the complaint filed by the Judgment Creditors against the Non-Debtor Parties and Ben J. Schillaci in the Circuit Court of Tuscaloosa County, Case No. 63-CV-2025-900565.

R. White and Mary P. White could proceed on the basis that Shandi R. White and Mary P. White did not have standing to enforce the automatic stay of 11 U.S.C. § 362?

2. Whether the Bankruptcy Court erred in ruling that Shandi R. White and Mary P. White are not in the “zone of interests” protected by the automatic stay of 11 U.S.C. § 362?

3. Whether the Bankruptcy Court erred in determining that allowing the Judgment Creditors to litigate their causes of action against Shandi R. White and Mary P. White in the Complaint was consistent with the policy and purposes behind the automatic stay of 11 U.S.C. § 362?

4. Whether the Bankruptcy Court erred by failing to find “unusual circumstances” sufficient to enable state court defendants who are neither Debtors nor the Trustee to enforce the automatic stay and seek redress for violations thereof?

5. Whether the Bankruptcy Court erred by allowing the Judgment Creditors’ alter ego and veil-piercing “claims” in the Complaint to proceed against Knobloch, Inc., Tannehill Sewer, LLC, and SERMA Funding, LLC despite a simultaneous proceeding by the Trustee seeking essentially the same relief?

6. Whether the Bankruptcy Court erred by allowing the Judgment Creditors’ alter ego and veil-piercing “claims” in the Complaint to proceed even though Alabama does not recognize such independent causes of action?

7. Whether the Bankruptcy Court erred by allowing the Judgment Creditors to proceed with alter ego and veil-piercing “claims” in the Complaint when those acts violate the automatic stay of 11 U.S.C. § 362(a) as actions to “recover a claim against the debtor” and/or “exercise control over property of the estate?”

DESIGNATION OF RECORD ON APPEAL²

Claims Register in Case No. 22-02429-DSC11		
Filing Date	Claim Number	Description
11/23/2022	2-1	Claim #2 filed by Monica Lawrence and John Lawrence, Jr., Amount Claimed: \$2116929.42
10/14/2024	2-2	Amended Claim #2 filed by Monica Lawrence and John Lawrence, Jr., Amount Claimed: \$2219227.58
11/23/2022	3-1	Claim #3 filed by Lindsay Davis and Benjamin Davis, Amount Claimed: \$1801927.65
10/14/2024	3-2	Amended Claim #3 filed by Lindsay Davis and Benjamin Davis, Amount Claimed: \$1689040.16
07/31/2024	14-1	Claim #14 filed by SERMA Holdings, LLC, Amount claimed: \$7000000.00
07/31/2024	15-1	Claim #15 filed by Tannehill Sewer, LLC, Amount claimed: \$11400.00
07/31/2024	16-1	Claim #16 filed by Tannehill Sewer, LLC, Amount claimed: \$16336.8
07/31/2024	17-1	Claim #17 filed by Tannehill Sewer, LLC, Amount claimed: \$4000.00
07/31/2024	18-1	Claim #18 filed by SERMA Funding, LLC, Amount claimed: \$1125000.00
10/14/2024	22-1	Claim #22 filed by Monica Lawrence and John Lawrence, Jr., Amount claimed: \$2219227.58 [Amends Claim 3 in Case No. 22-02430]
10/14/2024	22-2	Amended Claim #22 filed by Monica Lawrence and John Lawrence, Jr., Amount claimed: \$2219227.58
10/14/2024	23-1	Claim #23 filed by Monica Lawrence and John Lawrence, Jr., Amount claimed: \$2189196.61 [Amends Claim 6 in Case No. 22-02431]
10/14/2024	24-1	Claim #24 filed by Lindsay Davis and Benjamin Davis, Amount claimed: \$1689040.16 [Amends Claim 2 in Case No. 22-02430]
10/14/2024	25-1	Claim #25 filed by Lindsay Davis and Benjamin Davis, Amount claimed: \$1659010.43 [Amends Claim 5 in Case No. 22-02431]

² Each item designated shall also include any and all attachments, proposed orders, and/or exhibits to such item.

Court Docket in Case No. 22-02429-DSC11		
Filing Date	Docket Number	Description
10/05/2022	<u>1</u> (10 pgs)	Chapter 11 Voluntary Petition Non-Individual. Fee Amount \$1738 Filed by ECO Preservation, LLC Chapter 11 Plan due by 02/2/2023. Disclosure Statement due by 02/2/2023. (Long, Harry) (Entered: 10/05/2022)
10/05/2022	<u>4</u> (1 pg)	Corporate Parent Disclosure Statement Filed by Debtor ECO Preservation, LLC. (Long, Harry) (Entered: 10/05/2022)
10/21/2022	<u>31</u> (2 pgs)	Corporate Parent Disclosure Statement <i>Amended to correct Debtor's name</i> Filed by Debtor ECO Preservation, LLC.. (Long, Harry) (Entered: 10/21/2022)
10/21/2022	<u>32</u> (2 pgs)	Equity Security Holders <i>Amended to correct Debtor's name</i> Filed by Debtor ECO Preservation, LLC.. (Long, Harry) (Entered: 10/21/2022)
12/30/2024	<u>533</u> (3 pgs; 2 docs)	Order Approving Appointment of Brian R. Walding as Chapter 11 Trustee for Eco-Preservation Services, LLC 22-02429-DSC11; Serma Holdings, LLC, 22-02430-DSC11; And John Michael White, Sr., 22-02431-DSC11 (Related Doc # <u>529</u>) Signed on 12/30/2024. (cmh) (Entered: 12/30/2024)
06/03/2025	<u>640</u> (114 pgs; 3 docs)	Emergency Motion to Enforce <i>Automatic Stay</i> Filed by Interested Parties Shandi R White, SERMA Funding, LLC, Mary Paula White, Movants Knobloch, Inc., Tannehill Sewer, LLC (Attachments: # <u>1</u> Exhibit A # <u>2</u> Exhibit B) (Chastain, Richard) (Entered: 06/03/2025)
06/03/2025	<u>641</u> (4 pgs)	Motion to Expedite Hearing (related documents <u>640</u> Motion to Enforce) Filed by Movants Knobloch, Inc., Tannehill Sewer, LLC, Interested Parties SERMA Funding, LLC, Mary Paula White, Shandi R White (Chastain, Richard) (Entered: 06/03/2025)
06/04/2025	<u>644</u> (2 pgs)	Supporting Motion to Enforce <i>Automatic Stay</i> (Re Item: <u>640</u> Motion to Enforce, <u>641</u> Motion to Expedite Hearing) Filed by Accountant Ben J. Schillaci (Memory, Stuart) (Entered: 06/04/2025)
06/04/2025	<u>646</u> (4 pgs; 2 docs)	Order and Notice of Hearing Signed on 6/4/2025. (RE: related document(s) <u>640</u> Motion to Enforce filed by Movant Knobloch, Inc., Interested Party Mary Paula White, Movant Tannehill Sewer, LLC, Interested Party SERMA Funding, LLC, Interested Party Shandi R

		White, <u>644</u> Motion to Enforce filed by Accountant Ben J. Schillaci). Evidentiary Hearing scheduled 7/9/2025 at 09:30 AM at Courtroom 1 (DSC) Birmingham. (stc) (Entered: 06/04/2025)
06/18/2025	<u>659</u> (19 pgs)	Motion to Amend and/or Alter (related documents <u>646</u> Order and Notice of Hearing) Filed by Creditors Benjamin Davis, Lindsay Davis, John Lawrence, Monica Lawrence, Nicole Slone (Ritchey, Gregory) (Entered: 06/18/2025)
06/24/2025	<u>671</u> (4 pgs; 2 docs)	Order and Notice of Hearing Signed on 6/24/2025. The Motion for Authority to Enter into a Contract (doc. 662) is CONTINUED to July 16, 2025 at 1:30 p.m. and the Motion to Reconsider (doc. 665) is DENIED as moot. (RE: related document(s)662 Motion for Approval of Agreement filed by Trustee Brian R. Walding, 665 Motion to Reconsider filed by Movant Knobloch, Inc., Movant Tannehill Sewer, LLC, Interested Party SERMA Funding, LLC). Hearing scheduled 7/16/2025 at 01:30 PM at Courtroom 1 (DSC) Birmingham. (stc) (Entered: 06/24/2025)
07/14/2025	<u>675</u> (24 pgs)	Response to (Re Item: <u>659</u> Motion to Amend and/or Alter (related documents <u>646</u> Order and Notice of Hearing) filed by Creditor Nicole Slone, Creditor John Lawrence, Creditor Monica Lawrence, Creditor Lindsay Davis, Creditor Benjamin Davis) Filed by Movants Knobloch, Inc., Tannehill Sewer, LLC, Interested Parties SERMA Funding, LLC, Mary Paula White, Shandi R White (Chastain, Richard) (Entered: 07/14/2025)
07/15/2025	<u>677</u> (2 pgs)	Supporting Response to (Re Item: <u>675</u> Response filed by Movant Knobloch, Inc., Interested Party Mary Paula White, Movant Tannehill Sewer, LLC, Interested Party SERMA Funding, LLC, Interested Party Shandi R White) Filed by Accountant Ben J. Schillaci (Memory, Stuart) (Entered: 07/15/2025)
07/15/2025	<u>678</u> (6 pgs)	Reply to (Re Item: <u>659</u>) Filed by Creditors Benjamin Davis, Lindsay Davis, John Lawrence, Monica Lawrence, Nicole Slone (Ritchey, Gregory) (Entered: 07/15/2025)
08/28/2025	<u>699</u> (29 pgs; 2 docs)	Order on Judgment Creditors' Motion to Alter, Amend, or Vacate and for Relief from Order Signed on 8/28/2025. (RE: related document(s) <u>646</u> Order and Notice of Hearing, <u>659</u> Motion to Alter, Amend, or Vacate and for Relief from Order by Creditor Nicole Slone, Creditor John Lawrence, Creditor Monica Lawrence, Creditor Lindsay Davis, Creditor Benjamin Davis, <u>675</u> Response filed by Movant Knobloch, Inc.,

		Interested Party Mary Paula White, Movant Tannehill Sewer, LLC, Interested Party SERMA Funding, LLC, Interested Party Shandi R White, <u>677</u> Response filed by Accountant Ben J. Schillaci, <u>678</u> Reply filed by Creditor Nicole Slone, Creditor John Lawrence, Creditor Monica Lawrence, Creditor Lindsay Davis, Creditor Benjamin Davis). (stc) (Entered: 08/28/2025)
09/11/2025	<u>705</u> (34 pgs; 2 docs)	Notice of Appeal to District Court. Fee Amount \$298 Filed by Movants Knobloch, Inc., Tannehill Sewer, LLC, Interested Parties SERMA Funding, LLC, Mary Paula White, Shandi R White (RE: related document(s) <u>699</u> Order (Generic)). Appellant Designation due by 09/25/2025. (Attachments: # <u>1</u> Exhibit A)(Chastain, Richard) (Entered: 09/11/2025)
N/A	N/A	Transcript of hearing on 06/04/2025 (transcript order pending as of 09/22/2025, see attached)
N/A	N/A	Transcript of hearing on 07/16/2025 (transcript order pending as of 09/22/2025, see attached)

Court Docket in Adversary Proceeding No. 25-00019-DSC		
Filing Date	Docket Number	Description
06/04/2025	<u>1</u> (574 pgs; 2 docs)	01 (Determination of removed claim or cause)) Notice of Removal by Knobloch, Inc., Tannehill Sewer, LLC, Mary Paula White, Henry H. Tyler, Curtis White Development Co., L.L.C., SERMA Funding, LLC, Ben J. Schillaci, Shandi R. White. (Attachments: # <u>1</u> Exhibit A) (Chastain, Richard) (Entered: 06/04/2025)
07/17/2025	<u>4</u> (2 pgs)	Courtroom Deputy Notes (RE: related document(s) <u>1</u> Notice of Removal filed by Defendant Ben J. Schillaci, Defendant Knobloch, Inc., Defendant Mary Paula White, Defendant Tannehill Sewer, LLC, Defendant SERMA Funding, LLC, Defendant Curtis White Development Co., L.L.C., Defendant Henry H. Tyler, Defendant Shandi R. White) (cmh) (Entered: 07/17/2025)

Court Docket in Adversary Proceeding No. 25-00024-DSC		
Filing Date	Docket Number	Description
06/20/2025	<u>1</u> (237 pgs; 2 docs)	Adversary case 25-00024. 72 (Injunctive relief - other)) Complaint by Brian Walding against c/o James B. Bailey Serma Holdings, LLC, c/o James B. Bailey Knobloch,

		Inc., SERMA Funding, LLC, Tannehill Sewer, LLC. Fee Amount \$350 (Attachments: # 1 Exhibit Exhibits A-M) (Williams, R.) (Entered: 06/20/2025)
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Respectfully submitted this 25th day of September, 2025.

/s/ R. Aaron Chastain

R. Aaron Chastain

James B. Bailey

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Attorneys for Knobloch, Inc., SERMA Funding, LLC, Tannehill Sewer, LLC, Shandi R. White, and Mary P. White

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by CM/ECF electronic noticing or U.S. Mail on September 25, 2025, to:

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/s/ R. Aaron Chastain

R. Aaron Chastain

AO 435 (Rev. 04/18)		ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS		FOR COURT USE ONLY	
TRANSCRIPT ORDER				DUE DATE:	
<i>Please Read Instructions:</i>					
1. NAME James B. Bailey		2. PHONE NUMBER (205) 521-8913		3. DATE 9/19/2025	
4. DELIVERY ADDRESS OR EMAIL jbailey@bradley.com		5. CITY Birmingham		6. STATE AL	7. ZIP CODE 35203
8. CASE NUMBER 22-02429	9. JUDGE D. Sims Crawford	DATES OF PROCEEDINGS			
		10. FROM 6/4/2025		11. TO 7/16/2025	
12. CASE NAME ECO-Preservation Services, L.L.C.		LOCATION OF PROCEEDINGS			
		13. CITY		14. STATE	
15. ORDER FOR					
<input type="checkbox"/> APPEAL		<input type="checkbox"/> CRIMINAL		<input type="checkbox"/> CRIMINAL JUSTICE ACT	
<input checked="" type="checkbox"/> NON-APPEAL		<input type="checkbox"/> CIVIL		<input type="checkbox"/> BANKRUPTCY	
		<input type="checkbox"/> IN FORMA PAUPERIS		<input type="checkbox"/> OTHER	
16. TRANSCRIPT REQUESTED (Specify portion(s) and date(s) of proceeding(s) for which transcript is requested)					
PORTIONS		DATE(S)		PORTION(S)	
<input type="checkbox"/> VOIR DIRE				<input type="checkbox"/> TESTIMONY (Specify Witness)	
<input type="checkbox"/> OPENING STATEMENT (Plaintiff)					
<input type="checkbox"/> OPENING STATEMENT (Defendant)					
<input type="checkbox"/> CLOSING ARGUMENT (Plaintiff)				<input type="checkbox"/> PRE-TRIAL PROCEEDING (Specy)	
<input type="checkbox"/> CLOSING ARGUMENT (Defendant)					
<input type="checkbox"/> OPINION OF COURT					
<input type="checkbox"/> JURY INSTRUCTIONS				<input checked="" type="checkbox"/> OTHER (Specify)	
<input type="checkbox"/> SENTENCING				Rulings in Bankruptcy Proceeding	
<input type="checkbox"/> BAIL HEARING				6/4/2025 and 7/16/2025	
17. ORDER					
CATEGORY	ORIGINAL (Includes Certified Copy to Clerk for Records of the Court)	FIRST COPY	ADDITIONAL COPIES	NO. OF PAGES ESTIMATE	COSTS
ORDINARY	<input type="checkbox"/>	<input type="checkbox"/>	NO. OF COPIES		
14-Day	<input type="checkbox"/>	<input type="checkbox"/>	NO. OF COPIES		
EXPEDITED	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	NO. OF COPIES		
3-Day	<input type="checkbox"/>	<input type="checkbox"/>	NO. OF COPIES		
DAILY	<input type="checkbox"/>	<input type="checkbox"/>	NO. OF COPIES		
HOURLY	<input type="checkbox"/>	<input type="checkbox"/>	NO. OF COPIES		
REALTIME	<input type="checkbox"/>	<input type="checkbox"/>			
CERTIFICATION (18. & 19.) By signing below, I certify that I will pay all charges (deposit plus additional).				ESTIMATE TOTAL	0.00
18. SIGNATURE				PROCESSED BY	
19. DATE				PHONE NUMBER	
TRANSCRIPT TO BE PREPARED BY				COURT ADDRESS	
ORDER RECEIVED		DATE	BY		
DEPOSIT PAID				DEPOSIT PAID	
TRANSCRIPT ORDERED				TOTAL CHARGES	0.00
TRANSCRIPT RECEIVED				LESS DEPOSIT	0.00
ORDERING PARTY NOTIFIED TO PICK UP TRANSCRIPT				TOTAL REFUNDED	
PARTY RECEIVED TRANSCRIPT				TOTAL DUE	0.00